

DEL NORTE COUNTY ECONOMIC FORECAST

Del Norte County is located in the northwestern corner of California. The closest city with more than 100,000 residents is Eugene, Oregon, which lies 225 miles to the north. Del Norte County has a population of 28,200 people and a total of 8,000 wage and salary jobs. The per capita income is \$31,913 and the average salary per worker is \$48,702.

The public sector is the largest employer in the county, accounting for 46 percent of all wage and salary jobs. Pelican Bay State Penitentiary, located in Crescent City, is one of the largest entities, employing more than 1,400 people and housing approximately 2,700 inmates.

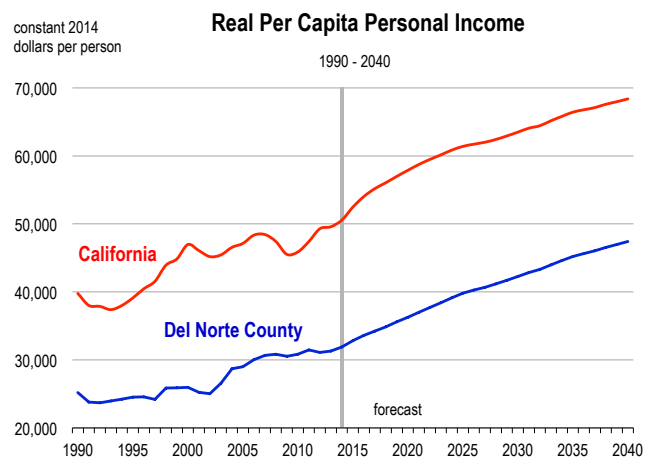
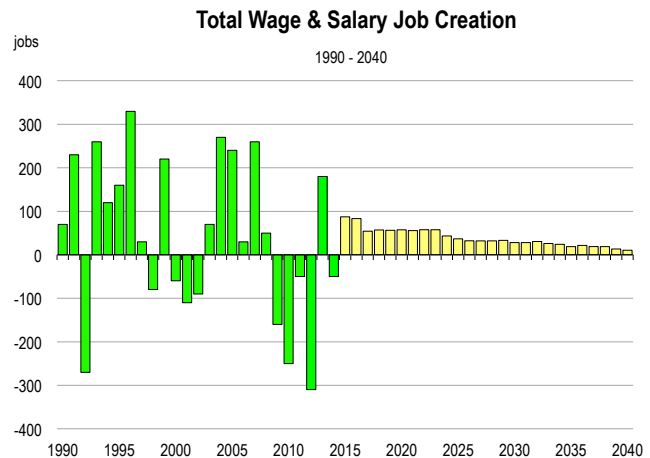
In 2014, a total of 50 total wage and salary jobs were lost in Del Norte County. This represents a decrease of 0.6 percent, and is the fifth annual decline in the last six years. Despite overall job losses, the unemployment rate improved, falling from 11.8 percent in 2013 to 10.2 percent in 2014.

During 2014, results were mixed across the major employment sectors. The largest gains were observed in professional and business services (+20 jobs), education and healthcare (+10 jobs), and government (+10 jobs). The largest losses occurred in wholesale and retail trade (-40 jobs), leisure and hospitality (-20 jobs), and construction (-20 jobs).

The population of Del Norte County declined at an annual average rate of 0.2 percent between 2009 and 2014. However, much of this decrease occurred in 2013, when the population declined by 308 individuals – a one-year drop of 1.1 percent. Over the 2009-2014 period, the county lost approximately 120 individuals per year through net migration, but gained only about 40 individuals per year through the natural increase (new births).

FORECAST HIGHLIGHTS

- Total wage and salary employment is expected to increase by 1.1 percent in 2015. Over the entire 2015–2020 period, growth will average 0.7 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Del Norte County, inflation-adjusted salaries are expected to rise by an average of 1.6 percent per year over the 2015-2020 period.
- Between 2015 and 2020, the momentum for employment growth will be in the public sector and the healthcare and education industry. Together, these sectors will account for 73 percent of net job creation in the county.
- Population growth will be positive but slow. Annual growth in the 2015-2020 period is expected to average 0.2 percent per year.

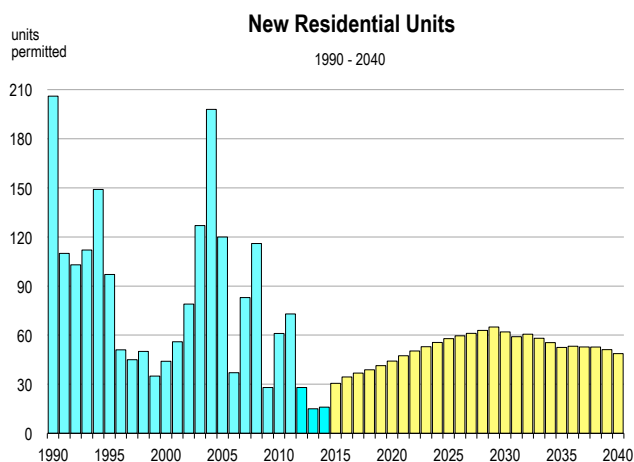
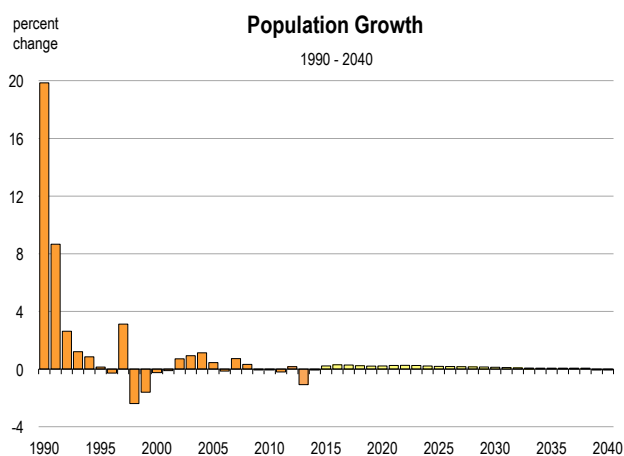


- Over the 2015-2020 period, an average of 70 net migrants will enter the county each year, accounting for the vast majority of all population growth. By contrast, the natural increase will add approximately 5 people to the population base each year.
- Real per capita income is expected to rise by 2.9 percent in 2015. From 2015 to 2020, the growth rate of real per capita income will average 2.0 percent per year.
- Total taxable sales, adjusted for inflation, are forecasted to grow at an average annual rate of 1.3 percent between 2015 and 2020.
- Industrial production is expected to increase by 2.5 percent in 2015. Over the following five years, industrial production will increase by an average rate of 3.6 percent per year.
- Total crop production will increase by an average of 0.3 percent per year between 2015 and 2020. The principal agricultural commodity is cattle.

Del Norte County Economic Forecast

2006-2014 History, 2015-2040 Forecast

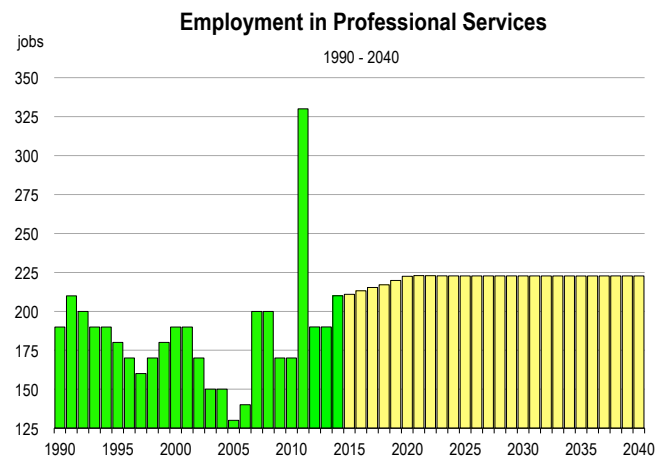
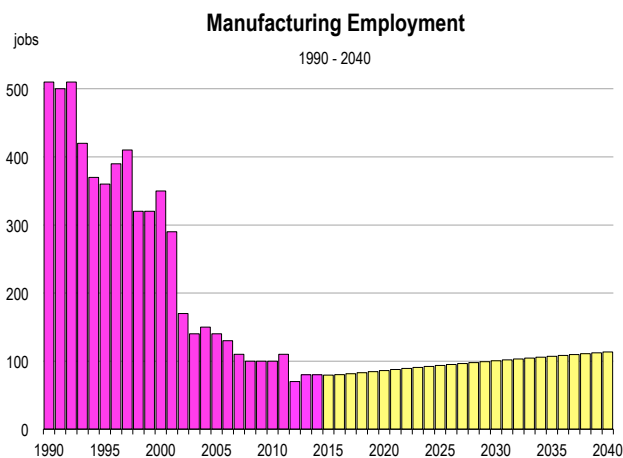
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2006	28,276	-86	27.7	9.6	37	\$227.5	\$0.70	\$30,026	3.2	55.3	26.2	6.9
2007	28,480	115	27.9	9.7	83	\$239.3	\$0.75	\$30,659	3.4	52.9	23.2	7.5
2008	28,571	8	27.6	9.8	116	\$232.2	\$0.78	\$30,842	2.9	52.4	24.2	8.8
2009	28,559	-60	27.4	9.8	28	\$201.2	\$0.78	\$30,528	0.8	41.9	23.9	12.1
2010	28,542	-126	27.4	9.9	61	\$204.3	\$0.79	\$30,828	1.3	40.7	22.8	13.3
2011	28,485	-103	26.8	9.9	73	\$211.8	\$0.83	\$31,484	2.7	45.3	23.6	13.4
2012	28,533	4	26.2	9.9	28	\$226.5	\$0.84	\$31,108	2.7	42.3	16.1	13.6
2013	28,225	-371	26.5	10.0	15	\$234.7	\$0.86	\$31,300	2.3	43.4	18.3	11.8
2014	28,219	-22	26.1	10.0	16	\$242.2	\$0.90	\$31,913	2.8	43.1	18.7	10.2
2015	28,281	56	26.3	10.0	31	\$251.3	\$0.94	\$32,833	1.2	43.8	19.2	8.8
2016	28,365	81	26.2	10.0	34	\$263.3	\$1.00	\$33,612	3.2	43.8	19.6	7.7
2017	28,445	76	26.3	10.0	37	\$274.9	\$1.05	\$34,252	3.2	44.0	20.1	7.4
2018	28,512	63	26.4	10.1	39	\$286.7	\$1.10	\$34,883	3.0	44.0	20.9	7.2
2019	28,571	56	26.3	10.1	41	\$298.6	\$1.16	\$35,592	2.8	44.2	21.8	7.0
2020	28,633	59	26.3	10.1	44	\$310.7	\$1.22	\$36,273	2.9	44.5	22.9	6.9
2021	28,705	71	26.3	10.2	47	\$323.1	\$1.29	\$37,008	3.0	44.5	23.9	7.0
2022	28,779	79	26.3	10.2	50	\$335.4	\$1.36	\$37,721	3.1	44.7	25.0	6.8
2023	28,851	81	26.3	10.3	53	\$347.1	\$1.42	\$38,405	2.7	44.8	26.2	6.8
2024	28,913	77	26.2	10.3	56	\$358.6	\$1.49	\$39,155	2.6	44.9	27.4	6.7
2025	28,968	74	26.2	10.4	58	\$370.5	\$1.56	\$39,810	2.8	45.0	28.6	6.7
2026	29,019	74	26.2	10.4	60	\$382.9	\$1.62	\$40,277	2.8	45.1	29.9	6.7
2027	29,068	74	26.2	10.5	61	\$396.2	\$1.69	\$40,687	2.8	45.3	31.2	6.6
2028	29,112	75	26.3	10.5	63	\$410.2	\$1.76	\$41,175	2.7	45.4	32.6	6.6
2029	29,155	76	26.2	10.6	65	\$424.4	\$1.83	\$41,722	2.5	45.5	34.2	6.6
2030	29,191	76	26.3	10.6	62	\$439.7	\$1.90	\$42,279	2.4	45.7	35.8	6.5
2031	29,222	75	26.3	10.7	59	\$456.5	\$1.97	\$42,858	2.3	45.8	37.4	6.5
2032	29,248	73	26.3	10.8	61	\$474.7	\$2.04	\$43,295	2.5	45.9	39.1	6.5
2033	29,269	72	26.3	10.8	58	\$492.9	\$2.12	\$43,974	2.1	46.0	40.9	6.4
2034	29,285	68	26.3	10.9	55	\$512.1	\$2.20	\$44,603	2.3	46.2	42.8	6.4
2035	29,292	63	26.3	10.9	52	\$531.4	\$2.28	\$45,215	2.4	46.3	44.7	6.4
2036	29,300	67	26.4	11.0	53	\$551.5	\$2.37	\$45,644	2.8	46.5	46.7	6.4
2037	29,307	71	26.5	11.0	53	\$571.3	\$2.46	\$46,043	2.8	46.6	48.8	6.4
2038	29,312	71	26.6	11.0	53	\$590.5	\$2.55	\$46,555	2.7	46.7	51.0	6.4
2039	29,311	67	26.7	11.1	51	\$610.6	\$2.65	\$46,974	2.8	46.9	52.7	6.3
2040	29,304	62	26.7	11.1	49	\$630.7	\$2.75	\$47,422	2.8	47.0	54.1	6.3

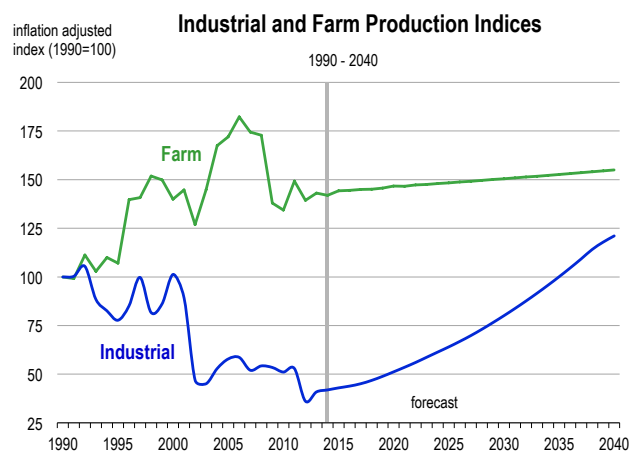
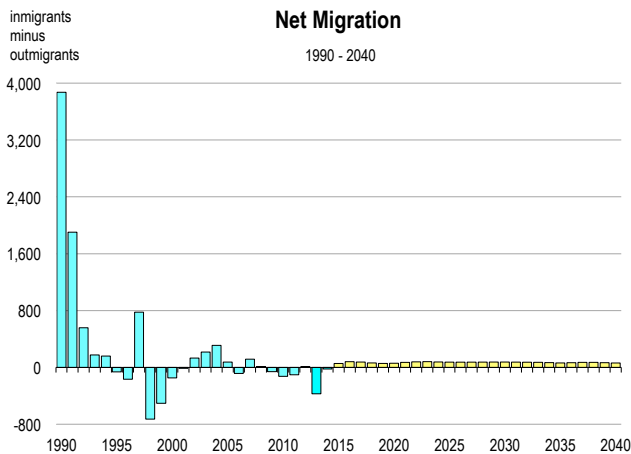
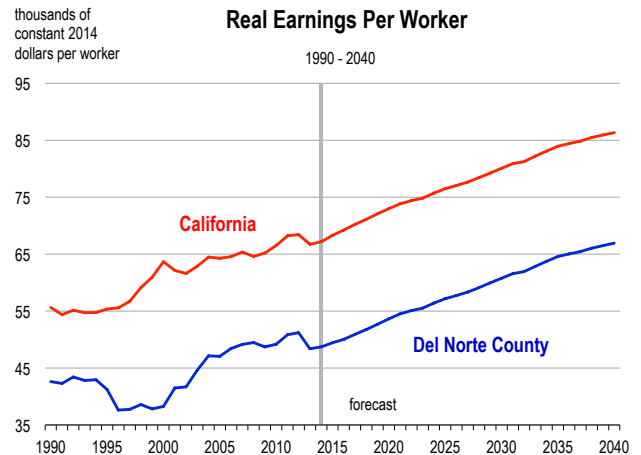
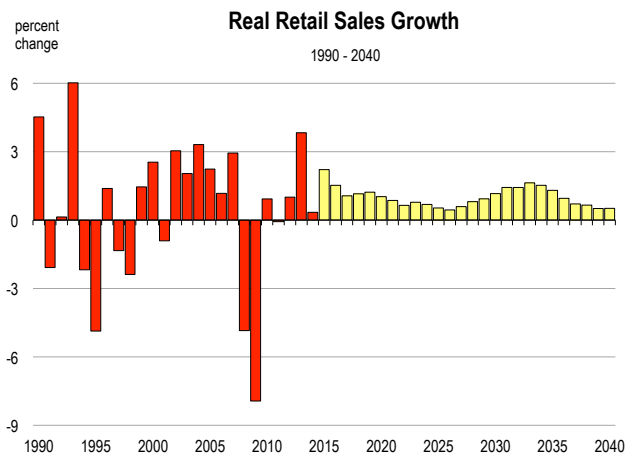


Del Norte County Employment Forecast

2006-2014 History, 2015-2040 Forecast

	Total Wage & Salary	Farm	Mining, Logging, & Construction	Manufac- turing	Trade, Transportation, & Utilities	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----										
2006	8.36	0.42	0.24	0.13	1.29	0.20	0.14	0.10	1.28	0.88	3.58
2007	8.62	0.39	0.22	0.11	1.28	0.20	0.20	0.10	1.36	0.88	3.78
2008	8.67	0.41	0.29	0.10	1.09	0.20	0.20	0.10	1.39	0.86	3.93
2009	8.51	0.35	0.22	0.10	1.10	0.20	0.17	0.10	1.44	0.79	3.93
2010	8.26	0.32	0.17	0.10	1.08	0.18	0.17	0.09	1.39	0.76	3.90
2011	8.21	0.28	0.15	0.11	1.11	0.18	0.33	0.09	1.29	0.73	3.83
2012	7.90	0.30	0.16	0.07	1.05	0.19	0.19	0.09	1.22	0.74	3.76
2013	8.08	0.33	0.16	0.08	1.06	0.19	0.19	0.09	1.42	0.77	3.66
2014	8.03	0.33	0.14	0.08	1.02	0.19	0.21	0.08	1.43	0.75	3.67
2015	8.12	0.33	0.14	0.08	1.03	0.19	0.21	0.08	1.47	0.77	3.68
2016	8.20	0.33	0.14	0.08	1.04	0.19	0.21	0.08	1.51	0.77	3.71
2017	8.25	0.33	0.15	0.08	1.05	0.19	0.22	0.08	1.52	0.77	3.73
2018	8.31	0.33	0.15	0.08	1.06	0.19	0.22	0.08	1.54	0.77	3.75
2019	8.37	0.33	0.15	0.08	1.06	0.19	0.22	0.08	1.57	0.77	3.77
2020	8.43	0.33	0.15	0.09	1.07	0.19	0.22	0.08	1.59	0.77	3.79
2021	8.48	0.33	0.16	0.09	1.07	0.19	0.22	0.08	1.62	0.77	3.81
2022	8.54	0.33	0.16	0.09	1.07	0.19	0.22	0.08	1.64	0.77	3.83
2023	8.60	0.33	0.16	0.09	1.08	0.19	0.22	0.08	1.67	0.77	3.85
2024	8.64	0.33	0.17	0.09	1.08	0.19	0.22	0.08	1.68	0.77	3.87
2025	8.68	0.33	0.17	0.09	1.08	0.19	0.22	0.08	1.70	0.77	3.89
2026	8.71	0.33	0.17	0.10	1.08	0.19	0.22	0.08	1.71	0.77	3.90
2027	8.74	0.33	0.17	0.10	1.08	0.19	0.22	0.08	1.72	0.77	3.92
2028	8.77	0.33	0.17	0.10	1.08	0.19	0.22	0.08	1.74	0.77	3.93
2029	8.81	0.33	0.18	0.10	1.08	0.19	0.22	0.08	1.75	0.78	3.95
2030	8.83	0.33	0.17	0.10	1.08	0.19	0.22	0.08	1.76	0.78	3.96
2031	8.86	0.33	0.17	0.10	1.09	0.19	0.22	0.08	1.78	0.78	3.97
2032	8.89	0.33	0.17	0.10	1.09	0.19	0.22	0.08	1.79	0.78	3.97
2033	8.92	0.33	0.17	0.10	1.09	0.19	0.22	0.08	1.80	0.78	3.98
2034	8.94	0.33	0.17	0.11	1.10	0.19	0.22	0.08	1.82	0.78	3.99
2035	8.96	0.33	0.16	0.11	1.10	0.19	0.22	0.08	1.83	0.78	3.99
2036	8.98	0.33	0.16	0.11	1.10	0.19	0.22	0.08	1.84	0.78	3.99
2037	9.00	0.33	0.16	0.11	1.10	0.19	0.22	0.08	1.86	0.78	3.99
2038	9.02	0.33	0.16	0.11	1.10	0.19	0.22	0.08	1.87	0.78	3.99
2039	9.03	0.33	0.16	0.11	1.10	0.19	0.22	0.08	1.88	0.78	3.99
2040	9.04	0.33	0.16	0.11	1.10	0.19	0.22	0.08	1.90	0.79	3.99





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	6.1%
Expected job growth:	3.8%
Fastest growing jobs sector:	Construction
Expected personal income growth:	11.9%

Expected population growth:	1.3%
Net migration to account for:	95.1%
Expected growth in number of vehicles:	0.1%

Demographics (2015)

Unemployment rate (March 2015):	9.3%
County rank* in California (58 counties):	38th
Working age (16-64) population:	65.7%

Population with B.A. degree or higher:	14.1%
Median home selling price (2014):	\$140,000
Median household income:	\$43,779

Quality of Life

Violent crime rate (2013):	287 per 100,000 persons
County rank* in California (58 counties):	20th
Average commute time to work (2015):	14.9 minutes

High School drop out rate (2014):	16.4%
Households at/below poverty line (2015):	16.4%

* The county ranked 1st corresponds to the lowest rate in California